

Receivable Collection Services, LLC

170 Jericho Turnpike
 Floral Park, NY 11001
 Telephone: (855) 727-8939
 Facsimile: (855) 727-9789
 Mark Hablenko, President

Collection Agency to the Debtor and Debtor-in-Possession

**UNITED STATES BANKRUPTCY COURT
 EASTERN DISTRICT OF NEW YORK**

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In re	: Chapter 11
	:
DOWLING COLLEGE,	:
f/d/b/a DOWLING INSTITUTE,	: Case No. 16-75545 (REG)
f/d/b/a DOWLING COLLEGE ALUMNI	:
ASSOCIATION,	:
f/d/b/a CECOM,	:
a/k/a DOWLING COLLEGE, INC.,	:
Debtor.	:
-----X	

**SUMMARY SHEET PURSUANT TO UNITED STATES
 TRUSTEE GUIDELINES FOR REVIEWING APPLICATIONS FOR
 COMPENSATION AND REIMBURSEMENT OF EXPENSES FILED
 UNDER 11 U.S.C. § 330 FOR THE FIRST AND FINAL FEE APPLICATION
 OF RECEIVABLE COLLECTION SERVICES, LLC, COLLECTION
AGENCY TO THE DEBTOR AND DEBTOR IN POSSESSION**

Name of Applicant:	Receivable Collection Services, LLC
Compensation Period:	October 16, 2017 through January 14, 2019
Role in This Case:	Collection Agency to the Debtor and Debtor in Possession
Total Fees Requested for the Compensation Period:	\$30,318.48
Total Expenses Requested for the Compensation Period:	\$0.0
Total Sought:	\$30,318.48
Petition Date:	November 29, 2016

Retention Date:	October 16, 2017
Date of Order Approving Employment:	October 16, 2017
Are any rates higher than those approved or disclosed at retention?	N/A

This is an: ☐ interim ☒ final application.

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ASSOCIATION,	:
f/d/b/a CECOM,	:
a/k/a DOWLING COLLEGE, INC.,	:
Debtor.	:
-----X	

**APPLICATION OF RECEIVABLE COLLECTION
 SERVICES, LLC, COLLECTION AGENCY TO THE DEBTOR
 AND DEBTOR IN POSSESSION FOR A FIRST AND FINAL ALLOWANCE
 OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR
THE PERIOD OF OCTOBER 16, 2017 THROUGH JANUARY 14, 2019**

**TO THE HONORABLE ROBERT E. GROSSMAN,
 UNITED STATES BANKRUPTCY JUDGE:**

Receivable Collection Services, LLC, Collection Agency to Dowling College, debtor and debtor-in-possession in the above-captioned chapter 11 case (the “Chapter 11 Case”), as and for its application (“Application”) for a first interim and final allowance of compensation for services rendered and reimbursement of expenses for the period of October 16, 2017 through January 14, 2019, pursuant to 11 U.S.C. §§ 330(a) and 331, and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), respectfully sets forth and represents as follows:

INTRODUCTION

1. This application is respectfully submitted by Receivable Collection Services, LLC for a first and final allowance of compensation and reimbursement of expenses for all services rendered to the Debtor from October 16, 2017 through January 14, 2019 (the “First Interim and Final Compensation Period”), as follows:

Total Fees Requested for the First Interim and Final Compensation Period:	\$30,318.48
Total Expenses Requested for the First Interim and Final Compensation Period:	\$0.0
Total Sought:	\$30,318.48

JURISDICTION

2. This Court has jurisdiction over this Application by virtue of 28 U.S.C. §§ 157(a) and (b), and 1334(b), and the Administrative Order No. 264 titled “In the Matter of The Referral of Matters to the Bankruptcy Judges” of the United States District Court for the Eastern District of New York (Weinstein, C.J.) dated August 28, 1986.

3. Venue is proper in this district pursuant to 28 U.S.C. § 1409(a) because this proceeding arises in a case under the Bankruptcy Code pending in this district.

BACKGROUND

4. On November 29, 2016 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of New York (the or this “Court”).

5. On September 13 2017, an application to employ Receivable Collection Services, LLC as collection agency for the Debtor was filed (the “Receivable Collection Services, LLC Retention Application”) [Docket No. 399]. The Receivable Collection Services, LLC Retention Application was granted by order of the Court dated October 16, 2017 (the “Receivable Collection”).

Services, LLC Retention Order”) [Docket No. 421]. A copy of the Receivable Collection Services, LLC Retention Order is annexed hereto as **Exhibit A**.

6. During the First Interim and Final Compensation Period, Receivable Collection Services, LLC serviced approximately 997 student accounts with balances totaling \$3,999,039. The accounts worked included those student tuition balances appearing in the Dowling College system of record with an outstanding balance due and owing. Traditional collection efforts were engaged (calls and letters) which as of January 14, 2019 has resulted in gross dollars collected in the amount of \$79,171.16. Receivable Collection Services, LLC invoices its fee on a contingency basis depending on the number of collection agencies previously involved, ranging from 35% to 45% contingency fee. The dollars collected by month and the associated contingency fees earned for the First Interim and Final Compensation Period are annexed hereto as **Exhibit B**.

7. Pursuant to the Receivable Collection Services, LLC Retention Order, as of January 14, 2019, Receivable Collection Services has been paid \$30,318.48 by the Debtor. Therefore, there is no outstanding balance owed by the Debtor to Receivable Collection Services, LLC.

8. The employment of Receivable Collection Services, LLC was authorized in conjunction with Forster and Garbus LLP to collect the debtor’s student accounts receivable. Certain student accounts have been referred to Forster and Garbus LLP for further collection efforts. However, as of January 14, 2019, no money has been collected by Forster and Garbus and, accordingly, Forster and Garbus LLP is not seeking allowance of compensation or reimbursement of expenses.

9. Annexed hereto as **Exhibit C** is the certification of Mark Hablenko.

WHEREFORE, Receivable Collection Services, LLC respectfully requests that this Court enter an order allowing Receivable Collection Services, LLC, on a final basis, the sum of \$30,318.48 as compensation for services rendered during the First Interim and Final Compensation Period and granting Receivable Collection Services, LLC such other and further relief as the Court deems just and proper.

Dated: New York, New York
January 29, 2019

Receivable Collection Services, LLC

By: /s/ Mark Hablenko

Mark Hablenko
170 Jericho Turnpike
Floral Park, New York 11001
Tel: (855) 727-8939
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*Collection Agency to the Debtor and Debtor-
in- Possession*

Exhibit A

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

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In re : Chapter 11
:
DOWLING COLLEGE, :
f/d/b/a DOWLING INSTITUTE, : Case No. 16-75545 (REG)
f/d/b/a DOWLING COLLEGE ALUMNI :
ASSOCIATION, :
f/d/b/a CECOM, :
a/k/a DOWLING COLLEGE, INC., :
Debtor. :
-----X

ORDER (I) AUTHORIZING EMPLOYMENT OF RECEIVABLE COLLECTION SERVICES, LLC IN CONJUNCTION WITH FORSTER & GARBUS LLP TO COLLECT THE DEBTOR’S STUDENT ACCOUNTS RECEIVABLE; (II) APPROVING ESTABLISHMENT OF SEGREGATED TRUST ACCOUNT FOR DEPOSIT OF COLLECTIONS AND PAYMENT OF FEES AND REIMBURSEMENT OF EXPENSES; AND (III) ESTABLISHING MONTHLY REPORTING AND FINAL FEE APPROVAL PROCEDURES APPLICABLE TO SUCH PROFESSIONALS

Upon the Application (the “Application”)¹ of Dowling College (“Dowling” or the “Debtor”), debtor and debtor-in-possession in the above-captioned chapter 11 case, for an order pursuant to sections 327(e) and 328(a) of the Bankruptcy Code (I) authorizing the employment of Receivable Collection Services, LLC (“RCS”) in conjunction with Forster & Garbus LLP (“Forster & Garbus”) to collect the Debtor’s student accounts receivable, (II) approving establishment of a segregated trust account for deposit of collections and payment of fees and reimbursement of expenses, and (III) establishing monthly reporting and final fee approval procedures applicable to such professionals; and upon the Declaration of Mark Hablenko, President of RCS, attached to the Application as Exhibit B, and the Declaration of Joel Leiderman, Senior Associate Attorney of Forster & Garbus, attached to the Application as Exhibit C (collectively, the “Declarations”); and the Court having jurisdiction over this matter; and proper and adequate notice of the hearing on the Application (the “Hearing”) having been

¹ Terms capitalized but not defined herein shall have the meanings assigned to them in the Application.

given as set forth in the Application, and no further notice need be given; and upon the arguments of counsel presented and the evidence adduced at the Hearing; and any objections to the relief requested in the Application having been withdrawn or overruled; and it appearing that the terms and conditions of the employment and compensation of the Collections Professionals as set forth in the Engagement Letters are reasonable and that the relief granted herein is in the best interest of the Debtor's estate; it is hereby

ORDERED that the Debtor is authorized to retain and employ RCS and Forster & Garbus in the Chapter 11 case pursuant to sections 327(e), 328(a), 330 and 331 of the Bankruptcy Code upon the terms and conditions set forth in the Application and the Engagement Letters and as set forth herein; and it is further

ORDERED that pursuant to sections 327(e), 328(a), 330 and 331 of the Bankruptcy Code, the terms and conditions of the Engagement Letters as modified as set forth herein are approved; and it is further

ORDERED that the Collections Professionals are excused from compliance with General Order 613 as it pertains to the requirement to detail time spent by each professional and paraprofessional and any other requirement to detail time incurred in connection with this engagement for matters as to which Contingency Compensation is sought; and it is further

ORDERED that RCS shall provide the Debtor, the Committee, the Office of the United States Trustee and each requesting bond trustee or bond insurer (each a "Notice Party") with biweekly reports detailing all proceeds of collections received and any costs, expenses and disbursements incurred with respect to all active accounts in the previous two weeks and any other information reasonably requested by the Debtor; and it is further

ORDERED that the Collections Professionals shall establish, and cause all proceeds of Receivables to be deposited in, a separate and segregated Collections Account and shall be authorized to receive payment of their Contingency Compensation and reimbursement of their costs, expenses, disbursements and True-Up Payments from the Collections Account as and when due in accordance with the terms set forth in the Engagement Letters; and it is further

ORDERED that the Collection Professionals shall remit invoices to each Notice Party by the 15th day of each month for collections made and any costs, expenses or disbursements incurred in the previous calendar month. Unless any such invoice is disputed by a Notice Party, the Collection Professionals may withdraw the invoiced amount from the Collections Account on or after the date this is thirty (30) days from the invoice date; and it is further

ORDERED that at the end of each month, the Debtor will transfer to its debtor-in-possession account eighty percent (80%) of the balance of the Collections Account remaining after the Collections Professionals' withdrawal of their fees and expenses, including any True-Up Payments; and it is further

ORDERED that at the conclusion of their engagement, the Collections Professionals shall file a final fee application with the Court pursuant to sections 330 and 331 of the Bankruptcy Code detailing the balance of the Collections Account, the Contingency Compensation paid, and costs, expenses, disbursements and True-Up Payments reimbursed, to the Collections Professionals; and it is further

ORDERED that payment of any and all amounts to the Collections Professionals shall be subject to disgorgement until approved by the Court in connection with the final fee application; and it is further

ORDERED that any balance remaining in the Collections Account at the end of the Collections' Professionals' engagement and the approval of their final fee application by the Court will be transferred to the Debtor's debtor-in-possession account; and it is further

ORDERED that for the avoidance of doubt, subject to the rights of the Collection Professionals under this Order with respect to compensation and reimbursement for expenses, the rights, liens and claims of creditors shall attach to all proceeds of Receivables in their respective priorities; and it is further

ORDERED that to the extent any term of this Order conflicts with the terms of the Application or any Declaration or Engagement Letter, the terms of this Order shall control; and it is further

ORDERED that nothing in the Engagement Letters between the Collections Professionals and the Debtor shall be deemed to alter this Court's authority to authorize the payment of professional fees or to adjudicate fee disputes between the Collections Professionals and the Debtor and other parties in interest; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

NO OBJECTION:

WILLIAM K. HARRINGTON
UNITED STATES TRUSTEE

By: /s/ Stan Yang
Stan Yang, Esq.
TRIAL ATTORNEY

**Dated: Central Islip, New York
October 16, 2017**



A handwritten signature in black ink, appearing to read "Robert E. Grossman".

**Robert E. Grossman
United States Bankruptcy Judge**

Exhibit B

Exhibit B

RECEIVABLE COLLECTION SERVICES
170 JERICHO TURNPIKE, FLORAL PARK, NY 11001
DOWLING COLLEGE - ALL PRODUCT LINES

Activity Month	Product	Dollars Collected	Contingency Fee Invoiced
February-18	Primary	\$12,930.00	\$4,525.50
February-18	Secondary	\$75.00	\$30.00
February-18	Tertiary	\$2,872.00	\$1,292.40
February-18	Total	\$15,877.00	\$5,847.90
March-18	Primary	\$5,830.00	\$2,040.50
March-18	Secondary	\$50.00	\$20.00
March-18	Tertiary	\$730.00	\$328.50
March-18	Total	\$6,610.00	\$2,389.00
April-18	Primary	\$3,657.41	\$1,280.10
April-18	Secondary	\$258.00	\$103.20
April-18	Tertiary	\$200.00	\$90.00
April-18	Total	\$4,115.41	\$1,473.30
May-18	Primary	\$6,775.00	\$2,371.25
May-18	Secondary	\$220.00	\$88.00
May-18	Tertiary	\$5,254.42	\$2,364.49
May-18	Total	\$12,249.42	\$4,823.74
June-18	Primary	\$1,325.00	\$463.75
June-18	Secondary	\$330.00	\$132.00
June-18	Tertiary	\$763.50	\$343.58
June-18	Total	\$2,418.50	\$939.33
July-18	Primary	\$4,326.72	\$1,514.35
July-18	Secondary	\$300.00	\$120.00
July-18	Tertiary	\$2,390.00	\$1,075.50
July-18	Total	\$7,016.72	\$2,709.85
August-18	Primary	\$5,742.00	\$2,009.70
August-18	Secondary	\$200.00	\$80.00
August-18	Tertiary	\$2,540.69	\$1,143.31
August-18	Total	\$8,482.69	\$3,233.01
September-18	Primary	\$1,375.00	\$481.25
September-18	Secondary	\$3,902.67	\$1,561.07
September-18	Tertiary	\$4,425.00	\$1,991.25
September-18	Total	\$9,702.67	\$4,033.57
October-18	Primary	\$1,350.00	\$472.50
October-18	Secondary	\$2,587.00	\$1,034.80
October-18	Tertiary	\$491.25	\$221.06
October-18	Total	\$4,428.25	\$1,728.36
November-18	Primary	\$2,409.00	\$843.15
November-18	Secondary	\$2,025.00	\$810.00
November-18	Tertiary	\$616.25	\$277.31



RECEIVABLE COLLECTION SERVICES
170 JERICHO TURNPIKE, FLORAL PARK, NY 11001
DOWLING COLLEGE - ALL PRODUCT LINES

November-18	Total	\$5,050.25	\$1,930.46
December-18	Primary	\$2,379.00	\$832.65
December-18	Secondary	\$25.00	\$10.00
December-18	Tertiary	\$816.25	\$367.31
December-18	Total	\$3,220.25	\$1,209.96

Product Totals	Primary	\$48,099.13	\$16,834.70
	Secondary	\$9,972.67	\$3,989.07
	Tertiary	\$21,099.36	\$9,494.71

Grand Total		\$79,171.16	\$30,318.48
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Exhibit C

Receivable Collection Services, LLC

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Collection Agency to the Debtor and Debtor-in-Possession

**UNITED STATES BANKRUPTCY COURT
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f/d/b/a DOWLING COLLEGE ALUMNI	:
ASSOCIATION,	:
f/d/b/a CECOM,	:
a/k/a DOWLING COLLEGE, INC.,	:
Debtor.	:
-----X	

**CERTIFICATION OF MARK HABLENKO REGARDING THE FIRST AND FINAL
 FEE APPLICATION OF RECEIVABLE COLLECTION SERVICES, LLC,
 COLLECTION AGENT TO THE DEBTOR AND DEBTOR IN POSSESSION, FOR AN
 ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD OF OCTOBER 16, 2017 THROUGH JANUARY 14, 2019**

I, Mark Hablenko, hereby certify that:

1. I am the president of Receivable Collection Services, LLC, which serves as the collection agent to Dowling College, debtor and debtor-in-possession in the above-captioned chapter 11 case (the “Chapter 11 Case”). This Certification is made in support of Receivable Collection Services, LLC’s application (the “Application”) for a first and final allowance of compensation for services rendered and reimbursement of expenses for the period of October 16, 2017 through January 14, 2019, in compliance with General Order 613, Guidelines for Fees and Disbursements for Professionals in Eastern District of New York Bankruptcy Cases, effective as

of June 10, 2013 (the “General Order”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines”), and this Court’s Order Pursuant to 11 U.S.C. §§ 105(A) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [Docket No. 117] (the “Interim Compensation Order” and together with the General Order, UST Guidelines and the Large Case Guidelines, the “Guidelines”).

2. I certify that:

- a. I have read the Application;
- b. To the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and expenses sought fall within the Guidelines;
- c. The fees and disbursements sought are billed at rates and in accordance with practices customarily employed by Receivable Collection Services, LLC and generally accepted by its clients.

3. With respect to Section B(2) of the General Order, I certify that Receivable Collection Services, LLC has complied with the provisions requiring it to provide to the Debtor with a statement of Receivable Collection Services, LLC’s fees and expenses accrued during previous months.

4. With respect to Section B(3) of the General Order, I certify that the Debtor, the U.S. Trustee for the Eastern District of New York and the Creditors’ Committee are each being provided with a copy of the Application and this Certification.

Dated: Floral Park, New York
January 29, 2019

Receivable Collection Services, LLC

By: /s/ Mark Hablenko

Mark Hablenko

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Floral Park, New York 11001

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